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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कियह अलग संकलन के रूप में रखा जा सके ।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 25th March, 1995/*Chaitra* 4, 1917 *(Saka)*

The following Act of Parliament received the assem of the President on the 25th March, 1995, and is hereby published for general information

THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) AMENDMENT ACT 1995

No. 8 OF 1995

[25th March, 1995.]

An Act further to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act 1980.

BE it enacted by Parliament in the Forty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (i) This Act may be called the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1995.

(2) It shall be deemed to have come into force on the 21st day of January, 1995.

CHAPTER II

AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970

Amend-ment of section 3,

2- In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, after sub-section (2B), the following sub-sections shall be inserted, namely:— 5 of 1970.

"(2BB) Notwithstanding anything contained in sub-section (2), the paid-up capital of a corresponding new bank constituted under sub-section (I) may, from time to time and before any paid-up capital is raided by public issue under clause *(c) of* sub-section (2fl), be reduced by—

(a) the Central Government, atter consultation with the Reserve Bank, by cancelling any paid-up capital which is lost, c^ is unrepresented by available assets;

(b) the Board of Directors, after consultation with the Reserve Bank and with the previous sanction of the Central Government, by paying off any paid-up capital which is in excess of the wants ot the corresponding new bank:

Provided that in a case where such capital is lost, or is unrepresented by available as ets because of amalgamation of another corresponding new bank or a coircsponding new bank as denned in clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 with the corresponding new bank, such reduction may be done, either prospectively or retrospectively, but not from a date earlier than the date of such amalgamation. 40 of 1980.

(2BBA) (a) A corresponding new bank may, from time to time and after any paid-up capital has been raised by public issue under clause (c) of sub-section *(2B),* by resolution passed at an annual general meeting of the shareholders entitled to vote, voting in person, or where proxies are allowed, by p^oxy, and the votes cast in favour of the resolution are not less than three times the number of the votes, if any, cast against the resolution by the shareholders so entitled and voting, reduce its paid-up capital in any way.

(b) Without prejudice to the generality of the foregoing power, the paid-up capital may be reduced by—

(i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up;

(ii) either with or without extinguishing or reducing liability on any of its paid-Up shares, cancelling any paid-up capital which is lost, or is unrepresented by available assets; or

(iii) either with or without extinguishing or reducing liability on any of its paid-up shares paying off any paid-up share capital which Is in excess of the wants of the corresponding new bank.

(2BBB) Notwithstanding anything contained in sub-section *(2BB)* or sub-section *(2BBA),* the paid-up capital of a correspond-, ing new bank shall not be reduced at any time so as to render it below twenty-five per cent. of the paid-up capital of that bank as on the date of commencement of the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1995.",

CHAPTER III

AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980

Amend, ment of section 3,

40 of 1980. 3. In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, after sub-section *(2B),* the following sub-sections shall be inserted, namely: —

"(2BB) Notwithstanding anything contained in sub-section (2), the paid-up capital of a corresponding new bank constituted under sub-section (1) may, from time to time and before any paid-up capital is raised by public issue under clause (c) of sub-section (2B), be reduced by—

(a) the Central Government, after consultation with the Reserve Bank, by cancelling any paid-up capital which is lost, or is unrepresented by available assets;

(b) the Board of Directors, after consultation with the Reserve Bank and with the previous sanction of the Central, Government, by paying off any paid-up capital which is in excess of the wants of the corresponding new bank:

Provided that in a case where such capital is lost, or is unrepresented by available assets because of amalgamation of another corresponding new bank or a corresponding new bank as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer

5 of 1970 of Undertakings) Act, 1970 with the corresponding new bank, such reduction may be done, either prospectively or retrospectively, but not from a date earlier than the date of such amalgamation.

(2BBA) (a) A corresponding new bank may, from time to lime and after any paid-up capital has been raised by public issue under clause (c) of sub-section *(2B),* by resolution passed at an annual general meeting of the shareholders entitled to vote, voting in person, or where proxies are allowed, by proxy, and the votes cast in favour of the resolution ate not less than three times the number of the votes, if any, cast against the resolution by the shareholders so entitled and voting, reduce its paid-up capital in any way.

(b) Without prejudice to the generality of the foregoing power, the paid-up capital may be reduced by—

({) extinguishing or reducing the liability on any of its shares In respect of share capital not paid-up;

(ii) either with or without extinguishing or reducing liability on any of its paid-up shares, canceling any paid-up capital which Is lost, or is unrepresented by available assets; or

(Hi) either with o$_r$ without extinguishing or reducing liability on any of its paid-up shares, paying off any paid-up share capital which is in excess of the wants of the corresponding new bank.

(2BBB) Notwithstanding anything contained in sub-section *(2BB)* or sub-section *(2BBA),* the paid-up capital of a corresponding new bank shall not be reduced at any time so as to render it below twenty-five per cent, of the paid-up capital of that bank as on the date of commencement of the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1995.".

CHAPTER IV

REPEAL AND SAVING

Repeal and saving.

4. *(1)* The Banking Companies (Acquisition and Transfer of Under- •takings) Amendment Ordinance, 1995 is hereby repealed. **Ord. 4 of 1994.**

(2) Notwithstanding such repeal, anything done or any action taken under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of those Acts, as amended by this Act. **5 of 1970. 40 of 1980.**

K. L. MOHANPURIA,
Secy, to the Gavt. of India.

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